

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6154**

**BILL NUMBER:** HB 1214

**DATE PREPARED:** Mar 22, 2002

**BILL AMENDED:** Mar 14, 2002

**SUBJECT:** Board for Coordination of Child Care Regulation.

**FISCAL ANALYST:** Michael Molnar

**PHONE NUMBER:** 232-9559

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (CCR Amended) This bill adds minimum eligibility standards for child care providers that participate in the federal Child Care and Development Fund voucher reimbursement program. (The introduced version of this bill was prepared by the Board for the Coordination of Child Care Regulation.)

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** (Revised) The bill adds criteria for voucher payment eligibility and licensing requirements. The bill adds misdemeanors related to the health or safety of a child to the list of criteria that make a provider ineligible for voucher payments as well as running water, fire safety requirements, and increased vaccination requirements and documentation. This criteria includes all child care providers that receive voucher payments regardless of provider type, with the exception that only providers that begin receiving voucher payments after June 30, 2002, are subject to the fire exit provision.

The Family and Social Services Administration (FSSA) currently has an appeals process in place for licensed child care homes that have had their license suspended, revoked, or denied due to non-compliance with established guidelines. The current appeals rate for these homes is 0.33%, or 13 out of 4,000 licensed child care homes.

This bill affects licensed child care homes, licensed child care centers, and those registered ministries and legally licensed exempt providers that accept CCDF vouchers. This bill affects a total of 12,707 child care providers. These are broken out by provider type as follows:

- 7,722 legally licensed exempt child care facilities serving 18,938 children,
- 389 registered ministries serving 6,165 children,
- 671 licensed centers serving 63,635 children, and
- 3,925 licensed homes serving 44,802 children

The number of denials for CCDF eligibility and licensure may increase. Based on the 0.33% denial rate, the Division would be expected to deny a total of 41 providers under the provisions of this bill. This is a 215% increase over the current denial rate. Staff estimate that the appeals process costs an average of \$400 per case for a total of **\$16,400** annually. If the number of additional appeals does not substantially exceed this forecast, then the agency should be able to absorb any additional costs. However, if the number of appeals increases beyond these expectations, then the agency will incur costs at a rate of \$400 per appeal.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration.

**Local Agencies Affected:**

**Information Sources:** Amy Brown, Legislative Director, Family and Social Services Administration, (317) 232-1149.